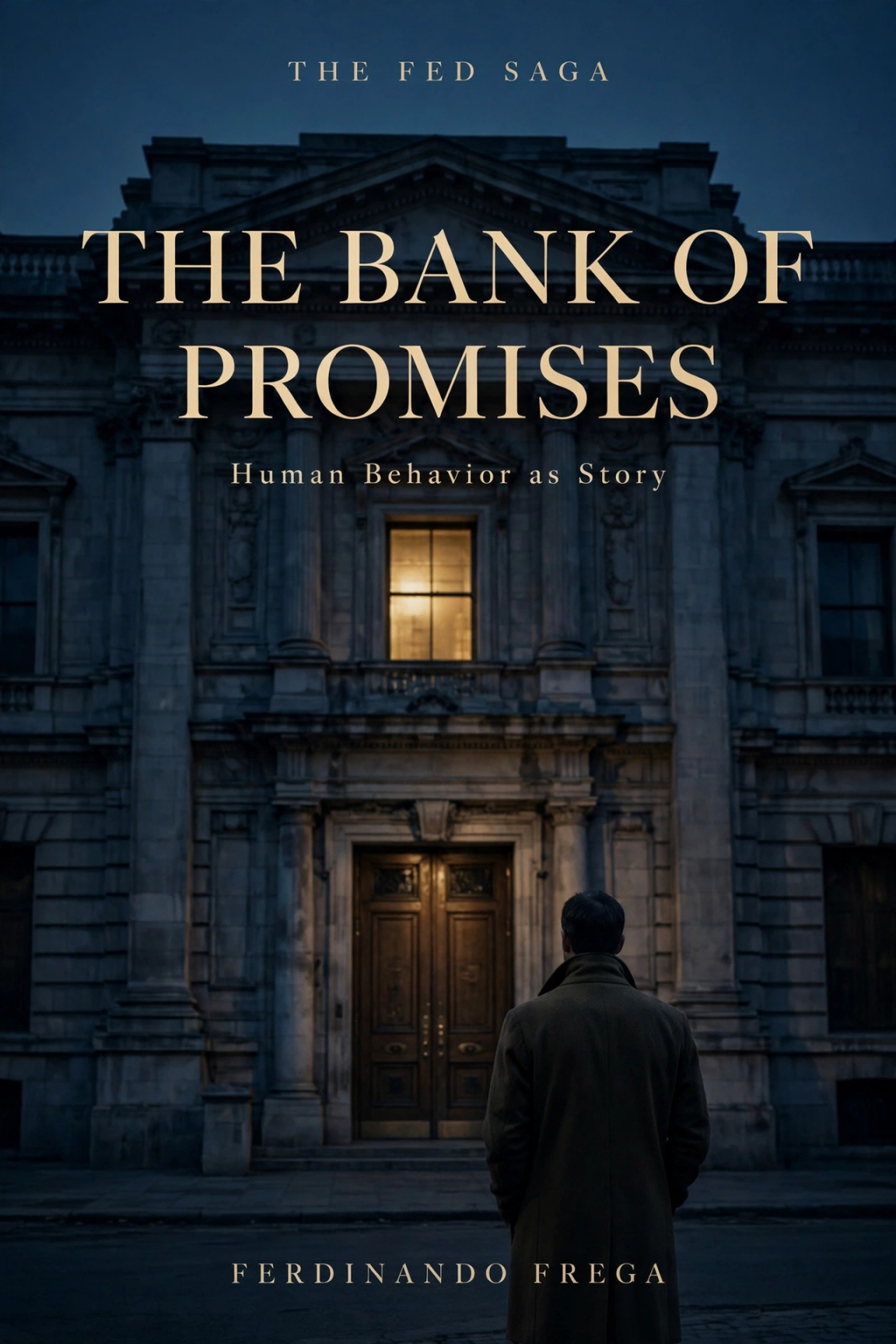
THE FED SAGA

THE BANK OF PROMISES

Human Behavior as Story



FERDINANDO FREGA

THE BANK OF PROMISES

THE FED SAGA — 11

Most people think a bank is the custodian of money.

It isn't true.

A bank is the custodian of promises.

Money is only the language used to record them.

Think about it.

When you deposit money, you are making a promise.

When you sign a mortgage, you are making a promise.

When you invest, you are making a promise.

Even when you save, you are making a promise to a future version of yourself.

The entire economy is built on a simple idea.

That someone will keep his word.

This is an extraordinary observation.

Because human beings spend half their lives doubting one another and the other half building systems based on mutual trust.

As a child you learn early that promises have different values.

Some last five minutes.

Some last a lifetime.

Some are forgotten.

Others even outlive the person who made them.

As the years went by I began to notice that the same rule held for companies, governments, and institutions.

The organizations that survive longest are not necessarily the richest.

Often they are the ones that manage to keep their promises longest.

The Federal Reserve holds an even more particular position.

Because it does not manage only money.

It manages collective promises.

Millions of people every day make decisions based on what they believe will happen tomorrow.

And behind every choice hides a question.

Can I trust?

I can trust that money will keep its value.

I can trust that the bridge will not collapse.

I can trust that the doctor knows what he is doing.

Every civilization is a gigantic web of interconnected promises.

People rarely think about it.

Because the system works.

And when something works well, it becomes invisible.

No one wakes up in the morning celebrating the millions of promises that were kept during the night.

The news prefers failure.

Promises kept make no noise.

Promises betrayed do.

Maybe that is why trust is so hard to understand.

It works in silence.

Like the foundations of a building.

No one looks at them.

Until they give way.

Then suddenly they become the only thing that matters.

During my career I have seen intelligent people fail.

Very intelligent.

Sometimes it was not money that was missing.

It was not skill that was missing.

It was not opportunity that was missing.

It was trust that was missing.

And once trust is lost, winning it back takes much longer than building it.

Trust resembles a very peculiar bank account.

It takes years to build it up.

A few minutes are enough to empty it.

In time I reached a simple conclusion.

True wealth is not what you own.

It is what others are willing to believe about you.

That is why some people open doors wherever they go.

And others find doors closed wherever they arrive.

It does not always depend on money.

Often it depends on the story they have built for themselves over time.

Every promise kept adds a brick.

Every promise betrayed takes one away.

In the end we all build an invisible bank.

Not a bank of money.

A bank of credibility.

Every word kept increases the balance.

Every word broken reduces it.

And the final balance appears on no statement.

It can be read in the eyes of whoever decides whether to trust or not.

Maybe that is why money interests me less than promises.

Because money changes owner every day.

Promises, on the other hand, build reputations.

And reputations build destinies.

In the end this story is not about Wall Street.

It is not about the Federal Reserve.

It is not about the markets.

It is about something much closer.

It is about your word.

Because every human being owns a personal bank.

Some enrich it.

Others drain it.

And every day, without noticing, we make a new deposit or a new withdrawal.

The question is simple.

And it is worth more than any interest rate.

If all the promises you have made became your net worth today, would you be rich or bankrupt?

Ferdinando
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We don't sell books. We build relationships.